

Message Text

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16

ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 EA-11 ISO-00 SPC-03 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15

DRC-01 /196 W

----- 097647

R 270530Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8946

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY SANTIAGO

C O N F I D E N T I A L TOKYO 16616

EO 11652: GDS

TAGS: CI EFIN

SUBJ: 1972 DEBT RESCHEDULING AGREEMENT WITH CHILE

REF: A. STATE 249190 B. STATE 248900

1. ON DEC 26, DRAWING ON REFTELS, EMBOFF BRIEFED
SHIKAMA, HEAD, FIRST CENTRAL AND SOUTH AMERICA DIV,
FONOFF, ON CHILE DEBT RESCHEDULING. SHIKAMA EXPRESSED
APPRECIATION FOR THE INFORMATION, BUT RAISED THE FOLLOW-
ING POINTS: A) WHAT IS THE COMPOSITION OF THE
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APPROXIMATELY \$64 MILLION MENTIONED IN THE SECOND

SENTENCE OF PARA 2, REF B?. NOTING THAT PARA 3 OF THE PARIS AGREEMENT PROVIDES FOR TWO CATEGORIES OF DEBTS, I.E. COMMERCIAL CREDITS AND GOVERNMENTAL CREDITS FOR WHICH REPAYMENT PERIOD IS LESS THAN 40 YEARS, SHIKAMA SAID HE PRESUMES SOME GOVERNMENTAL CREDITS WITH REPAYMENT PERIODS IN EXCESS OF 40 YEARS INCLUDED IN THIS \$64 MILLION ITEM.

B) THE PARIS AGREEMENT PROVIDED THAT 30 PERCENT OF CHILE'S DEBTS COULD BE EXCLUDED FROM RESCHEDULING BY CREDITORS, AND THAT CREDITORS COULD REQUEST IMMEDIATE REPAYMENT OF SUCH DEBTS BY THE GOC. IS USG RESCHEDULING THIS 30 PERCENT OF CHILE'S DEBT?

C) GOJ UNDERSTANDS THAT MOST CREDITORS RECEIVED A MORATORIUM INTEREST RATE OF 5 PERCENT. THE GOJ REQUESTED AND GOT 6 PERCENT AS IT CANNOT, FOR TECHNICAL REASONS, GIVE 5 PERCENT. HOWEVER, THE GOC (UNDER ALLENDE AT THAT TIME) REQUESTED GOJ COMPENSATE GOC FOR AGREEING TO THE 6 PERCENT FIGURE. SHIKAMA NOTED WITH SURPRISE THAT USG WILL RECEIVE 6 PERCENT, AS HE SAID HE SUPPOSED USG COULD AFFORD 5 PERCENT. IS USG COMPENSATING GOC IN SOME WAY FOR LATTER'S AGREEING TO 6 PERCENT RATE?

D) SHIKAMA REQUESTED CLARIFICATION OF TERM QTE BILATERAL AGREEMENTS UNQTE (PARA 3 REF B) AND WITH WHOM THEY WOULD BE CONCLUDED.

2. ACTION REQUESTED: DEPARTMENT PROVIDE GUIDANCE FOR ANSWERS TO ABOVE QUESTIONS.

SHOESMITH

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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
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Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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